

# Business Update

## Protect your tax rate for 2010

To avoid being assigned the highest possible tax rate in 2010, your account must be current by September 30, 2009. If your account is delinquent on October 1, you may receive the highest tax rate for the entire following year.

The delinquent-tax rate for 2009 is 6.23 percent. We will notify you of your 2010 tax rate in December 2009. Assigned tax rates are in effect for the entire year.

If you cannot make full payment now, you may request a payment plan by calling your district tax office. You will receive your earned tax rate for 2010, rather than the delinquent-tax rate, if we approve your payment plan before September 30, 2009.

## Changes to unemployment-insurance tax rates for 2010

For most employers, unemployment-insurance tax rates are relatively stable and do not change much from year to year. Next year will be different.

The enormous increase in unemployment in 2009 will affect 2010 tax rates for many employers. If employees received benefits that were chargeable to specific employers, it will affect the individual employers' experience rating and, ultimately, increase their rates. The effect is averaged over a four-year period through June 2009.

In addition, the Legislature enacted SSB 5963 this year to fix a problem with state law not being in "conformity" with federal unemployment-insurance law. This law has three changes that could affect rates.

First, SSB 5963 ends the practice in which benefits were based on the two highest quarters in a year, while each employer's "experience" (the basis for your rate) was based on all four quarters. Under the old law, the difference in these calculations had been shared (socialized) among all employers. Under the new law, we will assign experience based on two quarters. Experience for the four years prior to this change will be reflected in the 2010 tax rate.

Second, SSB 5963 reduces the tax rate for all but two rate classes and reduces the total combined tax rate that could be assessed. For many employers, the increase in your experience tax rate that is based on the change to two-quarter averaging will be offset by the reduction in most tax rates. However, your own tax rate will depend on your particular circumstances.

Third, SSB 5963 reduces the tax rates for socialized costs of unemployment insurance. Although you will pay less than you would have otherwise, the amount you pay will depend on the size of the unemployment-insurance trust fund and on your own experience.

Although it is difficult to predict the combined effect of these changes on individual employers, we know 2010 will bring changes to a large number of Washington's businesses.

## Quarterly wage-detail report

Have you noticed the new change to Form 5208B? Item-by-item instructions for block 13 (Other State) now say "list one other state, if any, in which you also paid this employee wages during this year." For example, if an employee worked in Oregon,

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Please share this with:

- ☐ Owner
- ☐ Accountant/Bookkeeper
- ☐ Business Associate
- ☐ HRM Manager
- ☐ Office Manager
- ☐ Other \_\_\_\_\_

## September 2009

### EAMS: Online tax tools for business

The Employer Account Management Services (EAMS) system offers you a quick and easy way to manage your tax account. Creating an EAMS account allows you to file and amend your quarterly reports and pay your UI taxes online, upload previously reported data to the current period, and calculate excess wages. You can also check tax rates, cancel pending payments and view a complete payment history or account balance.

To start using EAMS, first you must create an account at [SecureAccess.wa.gov](http://SecureAccess.wa.gov). After you've established your account, go to **Add Services** and select **Employment Security Department**. Once there, you will need to provide your user information to complete your registration.

For more details, visit [efile.go2ui.com](http://efile.go2ui.com).

### Technical support for Internet tax filers

Phone – 800-565-4660

E-mail – [uiftsupport@esd.wa.gov](mailto:uiftsupport@esd.wa.gov)

### Order tax forms

Phone – 360-902-0916

E-mail – [taxforms@esd.wa.gov](mailto:taxforms@esd.wa.gov)

### Benefits information

For questions related to specific benefit claims, call 877-504-5607.

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you would write "OR" in block 13. If the employee worked only in Washington, leave block 13 blank.

## IRS 940 certification or recertification

Each year, we certify to the Internal Revenue Service (IRS) the tax rate, amount of taxable wages and the amount of unemployment tax paid by each employer for the two prior years.

We compare the wages reported to the IRS on Form 940 or on 1040 Schedule H to wages reported to Washington for unemployment-insurance purposes. If the certification shows a discrepancy between the state records and the federal records, the IRS either contacts us for a recertification or contacts the employer directly. In providing information to the IRS, you may request a recertification from our department.

Most problems occur when employers fail to notify us of a change in business structure or a change in the federal Employer Identification Number (EIN). The EIN needs to match what we have in our tax and wage files. If there is no match, you will be charged the maximum Federal Unemployment Tax Act (FUTA) rate of 6.2 percent instead of the standard 0.08 percent.

To request FUTA certification or recertification in Washington, please contact:

Employment Security Department  
UI Tax, Employer Accounts, FUTA  
PO Box 9046  
Olympia, WA 98507-9046

Phone: 360-902-9597      e-mail: [ESD1GPUTaxIRSFUTA@esd.wa.gov](mailto:ESD1GPUTaxIRSFUTA@esd.wa.gov)

Your e-mail request should include five required elements:

1. Name of person making the request.
2. Phone number.
3. Year (or years) requested.
4. EIN number on the IRS request or notice.
5. Fax number, e-mail address or street address where we may deliver our response.

## Upcoming training/workshop schedule

Attend a local workshop to learn more about unemployment taxes and state services, such as tax requirements for various types of businesses, how to report and pay state taxes properly, requirements for reporting new employees and the services that are available through WorkSource.

Date	Topic	City	Contact
June 17	General tax information and reporting	Renton	253-437-3440
June 18	General tax information and reporting	Walla Walla	509-735-0939
June 18	General employer information in Spanish	Yakima	509-574-0136
June 19	Contractor training	Wenatchee	360-902-4733
June 25	General tax information and reporting	Kennewick	509-735-0939
July 8	e-file, reporting, exemptions	Yakima	509-574-0137
July 9	General employer information	Everett	425-774-2382
July 10	Employer Tax Workshop	Spokane	509-532-3130
July 15	e-file, reporting, exemptions	Yakima	509-574-0137
July 15	General tax information and reporting	Renton	253-437-3440
July 16	General tax information and reporting	Ellensburg	509-574-0137
Aug. 19	General tax information and reporting	Renton	253-437-3440
Sept. 2	ESD tax information and reporting	Yakima	509-574-0137

The Employment Security Department is an equal opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities. Auxiliary aids may include qualified interpreters and telecommunication devices (TTY) for hearing or speech impaired individuals. Individuals with limited English proficiency may request interpretive services free of charge to the customer in order to conduct business with the department.

## Contact us

### District tax offices

Staff at your local office can answer most of your tax questions, including specific questions about your account. For addresses and e-mail information, visit [dto.go2ui.com](http://dto.go2ui.com).

Bellevue	425-649-4388
Bellingham	360-676-2070
Lynnwood	425-774-2380
Seattle North	206-706-3801
South Sound	253-593-7380
Spokane	509-532-3090
Tri-Cities	509-735-0939
Vancouver	360-735-5050
Wenatchee	509-662-0448
Yakima	509-574-0137
Tribes	360-902-9780
Out-of-state	509-574-0179

### Report fraud

Let us know if you suspect that a business is not paying its unemployment taxes properly or if a worker is collecting benefits he or she is not entitled to. Employer and claimant fraud hotline: 866-266-1987  
E-mail for employer fraud – [undergroundeconomy@esd.wa.gov](mailto:undergroundeconomy@esd.wa.gov)

Visit us online at  
[bizupdate.go2ui.com](http://bizupdate.go2ui.com)

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